

Message Text

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72

ACTION TRSE-00

INFO OCT-01 AF-10 ISO-00 SPC-03 SAM-01 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 SS-20 STR-08 OMB-01 CEA-02 L-03 H-03

IO-14 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 PA-04 USIA-15 PRS-01 DRC-01

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R 131500Z FEB74

FM AMEMBASSY MASERU

TO SECSTATE WASHDC 3848

INFO AMEMBASSY GABORONE

AMEMBASSY MBABANE

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E O 11652: NA

TAGS: EFIN

SUBJ: LESOTHO'S CONCERN OVER VOTE ON IDA CONTRIBUTION

REF : STATE 15345

1. SUMMARY: PRIME MINISTER JONATHAN CALLED ME IN THIS MORNING TO EXPRESS LESOTHO'S GRAVE CONCERN OVER HOUSE VOTE AGAINST U.S. CONTRIBUTION TO REPLENISHMENT OF IDA. SAID THIS HELD SERIOUS IMPLICATIONS FOR LESOTHO'S DEVELOPMENT PLANS AND ASKED U.S. GOVT DO ALL POSSIBLE TO RESTORE CONTRIBUTION.

2. MINISTER FINANCE, COMMERCE AND INDUSTRY SEKHONYANA MADE FACTUAL PRESENTATION ON BEHALF PRIMIN. SAID ACCORDING THEIR CALCULATIONS HOUSE ACTION, UNLESS REVERSED, WOULD RESULT IN 30 TO 39 PER CENT CUTBACKS IN IDA PROGRAMS UNDER WHICH LESOTHO WOULD EXPECT TO BENEFIT IN NEXT FOUR YEARS, AND WOULD PREJUDICE PROJECTS TOTALING \$22 MILLION IN FIELDS OF EDUCATION, INFRASTRUCTURE, RURAL DEVELOPMENT, LIVESTOCK IMPROVEMENT, TOURISM, INDUSTRY, AND COMMUNICATIONS. THIS
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WOULD BE CRIPPLING BLOW TO LESOTHO, WHICH SIMPLY CANNOT AFFORD TO GO TO WORLD BANK FOR HIGH-INTEREST, SHORT-TERM LOANS. LESOTHO WELL AWARE AND APPRECIATIVE OF LEADING ROLE U.S. HAS PLAYED IN IDA AND SUCCESSFUL EFFORTS U.S. HAS MADE IN GETTING OTHER INDUSTRIALIZED NATIONS TO CONTRIBUTE. LESOTHO DEEPLY DISAPPOINTED IN HOUSE VOTE, HOWEVER, AND WITH FULL APPRECIATION OF SEPARATION OF POWERS SYSTEM IN U.S. GOVT, URGENTLY REQUESTS ADMINISTRATION DO ALL IN ITS POWER TO RESTORE U.S. CONTRIBUTION TO IDA.

3. I REPLIED THAT THIS WAS ALSO MATTER OF DEEP CONCERN TO U.S. AND READ EXCERPTS FROM KISSINGER/SCHULTZ STATEMENT TO PRIME MINISTER, WHO HAD NOT SEEN IT. TOLD HIM ADMINISTRATION WOULD BE CONSULTING WITH BOTH HOUSES IN EFFORT TO FIND WAY IN WHICH U.S. COULD CONTINUE PLAY ROLE OF LEADERSHIP IN IDA. AT PRIMIN'S REQUEST, I UNDERTOOK TO KEEP HIM ADVISED OF DEVELOPMENTS IN CONGRESS.

4. COMMENT: MANNER AND LEVEL OF PRESENTATION LEFT NO DOUBT AS TO GRAVITY GOL VIEWS THIS MATTER. FOR VARIETY OF REASONS, LESOTHO NOT ATTRACTIVE TO MAJOR ASSISTANCE DONORS AND IS HIGHLY DEPENDENT ON IDA SOFT LOANS FOR VIRTUALLY ALL ITS DEVELOPMENT PROGRAMS.

5. ACTION REQUESTED: WOULD APPRECIATE DEPARTMENT'S KEEPING US POSTED ON DEVELOPMENTS WHICH WE MAY RELAY TO PM.

HAUGHT

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

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